

# **FISCAL NOTE**

## **HB 3367 - SB 3346**

March 17, 1998

**SUMMARY OF BILL:** Changes TennCare criteria concerning the availability of providers in rural areas. Present criteria requires that TennCare enrollees shall be within 30 minutes or 30 miles from such enrollee's residence. Bill changes criteria to within 20 minutes or 20 miles, which is the criteria used for urban areas.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - Exceeds \$100,000**

**Other Fiscal Impact - Increase Federal Expenditures - Exceeds \$200,000**

Estimate assumes that HMO's will be required, in some areas, to contract with providers and facilities that would not be willing to accept current fees in order to comply with the provisions of the bill. The amount of such increased expenditures cannot be determined but is estimated to be significant. Contract requirements with MCO's state that if additional services or requirements are added to the program, the capitation rate may be increased

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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